

EXECUTIVE SECRETARIAT

ROUTING SLIP

TO:		ACTION	INFO	DATE	INITIAL
1. DCI			X (w/o att)		
2. DDCI			X (w/att)		
3. EXDIR			X (w/atch)		
4. D/ICS					
5. DDC					
6. DDA					
7. DUO					
8. DDS&T					
9. Chm/NIC					
10. GC					
11. JG					
12. Comp.					
13. D/Pers		X (w/att)			
14. D/OLL					
15. D/PAO					
16. SA/IA					
17. AO/DCI					
18. C/IPD/OIS					
19. ES			X (w/o att)		
20.					
21.					
22.					
	SUSPENSE		25 May	Date	

Remarks

By Executive Secretary

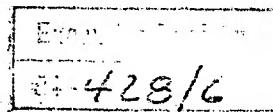
13 May 1964

Date

3637 (10-81)

DIRECTOR OF CENTRAL INTELLIGENCE

STAT



18 May 1984

NOTE FOR: Director of Personnel
Director of Legislative Liaison

Let me have your thoughts on the
attached.

William J. Casey

Attachment:
Memo dtd 18 May 84
from DCI to D/NSA



B-300

The Director of Central Intelligence

Washington, D.C. 20505

Executive Registry
84-4281

18 May 1984

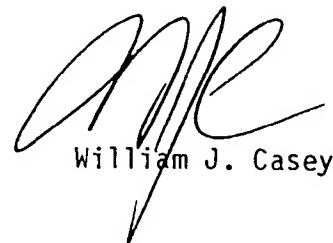
MEMORANDUM FOR: Director, National Security Agency /2

SUBJECT: Personnel Issues Related to the Erosion
of Benefits for the Federal Service

1. I want to thank you for your very thoughtful memorandum of 9 April about our personnel resources as they are affected by increased competition in the private sector, together with the erosion of benefits for federal service. I agree with you that this is one of the most serious problems we have and want to address it in as much depth as possible so that the Community is well armed to address this acute problem with the Administration and the Congress early next year.

2. I am sending copies of your memorandum, together with this note, to [redacted], Jim Williams, and Pete Aldridge, having in mind that we can discuss it at our next breakfast and decide how to form a small task force to dig into this issue.

STAT



William J. Casey

cc: Director, Defense Intelligence Agency /3
Under Secretary of the Air Force /4
✓ Director, Intelligence Community Staff /5



NATIONAL SECURITY AGENCY
CENTRAL SECURITY SERVICE
FORT GEORGE G. MEADE, MARYLAND 20755

Executive Registry

84-4281

Serial: N0550
9 April 1984

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MEMORANDUM FOR THE DIRECTOR OF CENTRAL INTELLIGENCE

SUBJECT: Personnel Issues Related to the Erosion of Benefits
for the Federal Service

12 APR 1984
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1. I want to reiterate my continuing concerns about the manpower issue we discussed at the Intelligence Seniors' Planning Conference this past December. I am specifically concerned about the continuing ability of the Intelligence Community, and especially NSA, to recruit and retain highly skilled professionals in the face of eroding Civil Service benefits.

2. There are three groups of people in the NSA work force who are most vulnerable to the impact of lost or reduced benefits. The first group encompasses our recently hired, young, talented engineers, computer scientists, and mathematicians. The second group is comprised of our critical-skilled people, again primarily engineers, data systems and mathematics professionals, ranging in age from their late 20's to their 40's. The third group includes our senior executives, managers, and technical specialists. These three groups represent our present and future development as an agency. A significant loss of people from any or all of these groups would impact greatly on our ability to perform our mission.

3. The first group--the young, talented scientific professionals--are our greatest hope for the future. The constantly changing high-tech developments in intelligence collection and analysis demand continuing increases in our scientific staff. Recruitment and retention of these individuals have always been difficult because of the level of competition for their services from both the public and private sectors. Through creative management techniques including expanded recruitment initiatives, compressed pre-employment processing time, special salary scales, and in-house career development programs, we have been surprisingly successful in attracting and retaining a number of these highly mobile individuals. We have increased our staff of young scientists and engineers by 26 percent over the last three years, and have been successful in keeping our attrition rate at about 5 percent. However, the trend of minimal federal pay raises and eroding federal benefits, matched against increasingly attractive benefit packages and higher pay from the private sector, may upset the delicate balance we have been striving to maintain. Further, the OPM-instigated GS-11 through GS-15 reduction plan, if imposed within the Community, would also impact significantly on these individuals. Quality GS-07 and GS-09 critical skilled people would not be attracted to or remain in employment that offered such limited growth potential.

DCI
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4. The second group--critical skilled individuals in their late 20's to their 40's--are likewise subject to the same push and pull of diminishing federal benefits and lucrative offers from private industry. It is crucial to our mission to retain as many of these individuals as possible, as they represent the backbone of technical skill and knowledge necessary to produce high quality intelligence products. Our implementation of career development programs, special salary scales, and financial incentives for linguists has kept the attrition rates of these people at an average of 4 percent. However, given the present trends, we can foresee that the attrition rate of this group could jump to as high as 10 percent--an impact that would seriously impede our ability to do our job. In addition, imposing the GS-11 through GS-15 reduction plan would make the prognosis for recruiting experienced critical skilled professionals poor. Like the GS-07 and GS-09 college recruits, highly mobile, experienced professionals will not be attracted to limited growth careers.

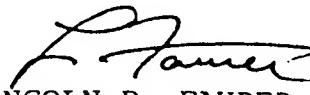
5. Finally, our senior executives, managers, and technical specialists--the third group--are also affected by the proposed changes in benefits. Over 40 percent of these individuals will be eligible to retire in the next two years. Given the prospect of trying to manage and motivate a demoralized, lower quality work force, many of them may opt to retire earlier than they would have done otherwise. Many of our younger talented senior executives and technical experts have highly marketable management and technical expertise that makes them especially attractive to private industry. We may therefore see an exodus to industry as well as to premature retirement. One GS-15 engineer, who resigned to accept employment in private industry, expressed it this way:

"...I would rather let the marketplace determine what my skills are worth and not Congress and a general public that in many areas perceive the Federal worker as having too many benefits anyway.
...I consider it an honor to have been an NSA employee for almost 18 years, and leave not because of conditions related to the work or fellow workers, but because of the current and what I see as the trend in Federal employment benefits and compensation."

A hastened departure of our senior staff, combined with a reduced capability to attract and retain professional and technical people, will leave us void of the manpower essential to our mission requirements. On the other hand, given the stress and "burnout" associated with a career in intelligence, a retirement system that forces our people to work until age 65 is no solution either.

6. Like many other agencies, we are involved in a struggle to replace a gradually aging work force through recruiting and retaining younger, talented, well-educated people. Unfortunately, these are the very people who are being discouraged from considering government service as a career. We must develop an aggressive strategy to maintain

the health of the Intelligence Community now and in the future. It is imperative that in the interest of national security we take every opportunity to impress upon the Administration and the Congress the urgency of keeping the intelligence service attractive and stable.



LINCOLN D. FAURER
Lieutenant General, USAF
Director, NSA/Chief, CSS